



August 14, 2008

Dear Pharmacy Provider:

SXC Health Solutions is pleased to announce that beginning October 1, 2008; we will begin administering the pharmacy benefit program for TennCare. Under this contract we will manage the pharmacy network. The purpose of this letter is to invite you to participate in either the TennCare Ambulatory/LTC Pharmacy Network or the TennCare Specialty Pharmacy Network. You may choose to participate in only one of the TennCare Network agreements. Participation in either network will require that your pharmacy adhere to TennCare specific programs provisions and ensure more favorable reimbursement as described in Exhibit A of the contracts.

Participation in the TennCare Pharmacy Network for Ambulatory and Long Term Care Pharmacy Providers is open to those pharmacies considered to be a chain drug store or independent pharmacy, that dispense prescriptions to directly to TennCare Enrollees (other than by mail order) in any ambulatory setting, or a Long Term Care Pharmacy licensed to dispense prescriptions to or for residents of long term care facilities (nursing homes). Ambulatory and Long Term Care Pharmacies not participating in the TennCare Pharmacy Network for Ambulatory and Long Term Care network are generally not eligible for reimbursement except on a prior approved Sole Service Agreement basis. In that event the Sole Service provider will be reimbursed at the lower SXC national network rate of AWP minus 16% plus \$1.50 or MAC plus \$1.50.

The Specialty Pharmacy network is open to those pharmacies that dispense high-cost complex medications and provide therapy management or coordination programs tailored for patients with chronic conditions. Pharmacies participating in the TennCare Specialty Pharmacy Network will be held to the additional performance standards and will be required to routinely demonstrate their outcomes. Specialty pharmacies not participating in the network will not be reimbursed by TennCare.

To ensure your continued participation with the 1.2 million members of the program, please carefully review all documents for the program in which you wish to participate, sign two (2) copies, and return the entire Agreement including signature page(s) and the required application form by **September 8, 2008**, to:

**SXC Health Solutions
Provider Relations Department
2441 Warrenville Road
Suite 610
Lisle, IL 60532**

If all materials are acceptable and meet criteria, an agent of SXC will dully sign the applicable Agreement and return a fully executed copy.

Should you have any questions or concerns, please contact the SXC Provider Relations Department at 480-362-5227. We look forward to your continued participation with the TennCare pharmacy program and the opportunity to improve the lives of TennCare Enrollees.

Sincerely,
SXC Provider Relations